



# Home Care Services

Social Services Appropriations Committee  
February 12, 2019

# Home Care Funding Request

Fee For Service Increase:  
\$4,403,000

# Providers Lose Money With Every Visit Due to Rate Erosion

Discipline	Utah Medicaid Rate (2012)	Approx. Cost of Providing Service	Difference	Medicare Visit Rate	CPI Adjusted (CPI-Medical) 2019 rate	Rate Erosion %	CPI Adjusted (CPI-All) 2019 rate	Rate Erosion %
Home Health Aide/CNA	\$22.56	\$31.04	-\$8.48	\$64.94	\$19.23	-15%	\$20.41	-10%
Physical Therapy	\$80.66	\$97.00	-\$16.34	\$156.76	\$68.74	-15%	\$72.96	-10%
Skilled Nursing	\$90.88	\$106.70	-\$15.82	\$143.40	\$77.45	-15%	\$82.20	-10%
Occupational Therapy	\$80.66	\$106.70	-\$26.04	\$157.83	\$68.74	-15%	\$72.96	-10%
Speech Language Pathology	\$79.47	\$130.95	-\$51.48	\$170.38	\$67.73	-15%	\$71.88	-10%

# Who We Serve:

- Children
- The Elderly
- Visually Impaired and People with Disabilities
- Pregnant Women
- Primary Care Network
- Adults

**Percent of Medicaid Enrollees by Category of Assistance  
SFY 2017**

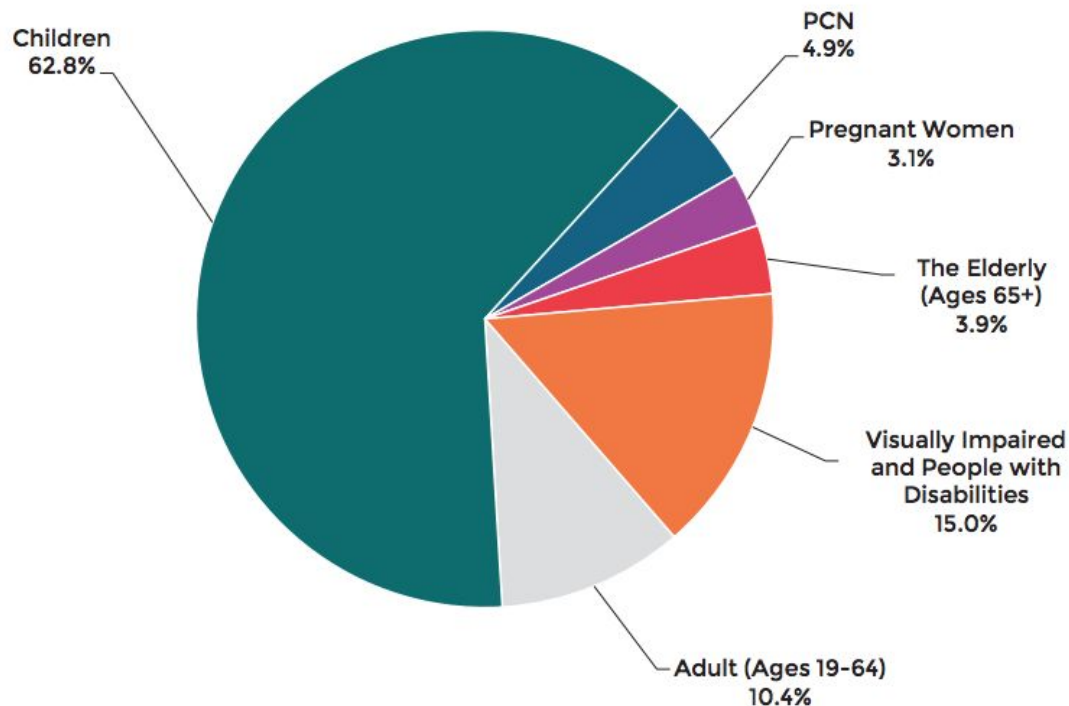


Figure 13

Table 15 presents the same information as Figure 13 from SFY 2013 to SFY 2017.

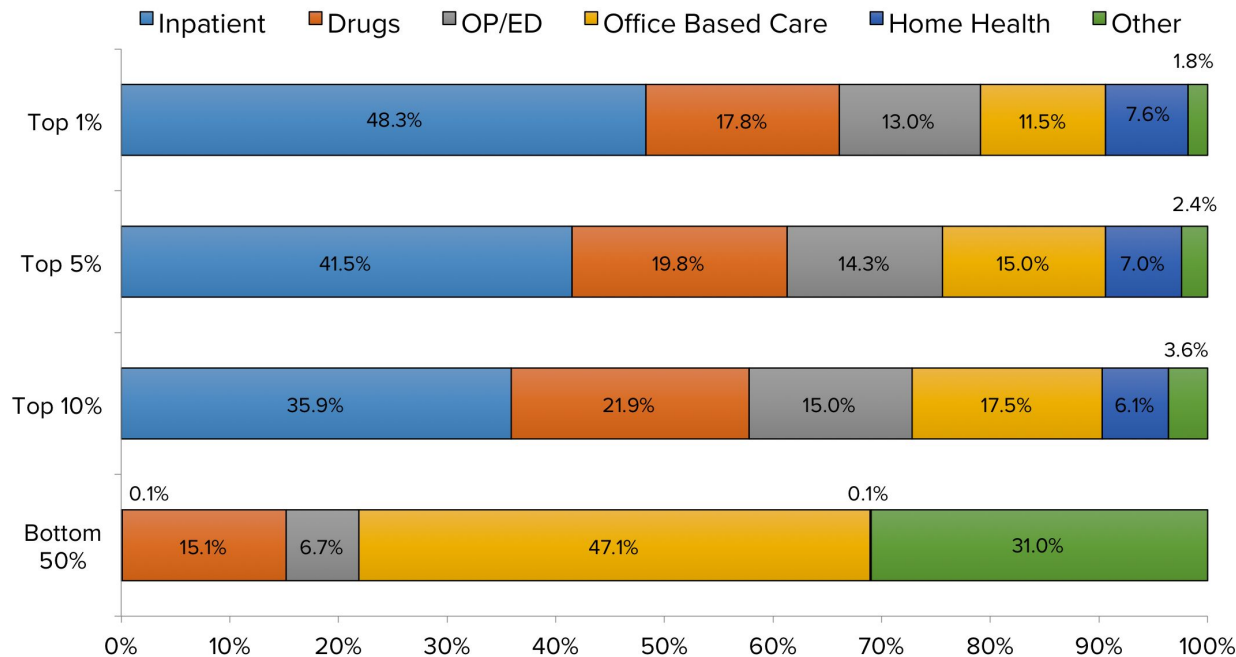
# Care Costs are Dominated by:

- Inpatient Services
- Prescription Drugs
- Outpatient
- Emergency Department Care

Home Care is a fraction of overall costs.



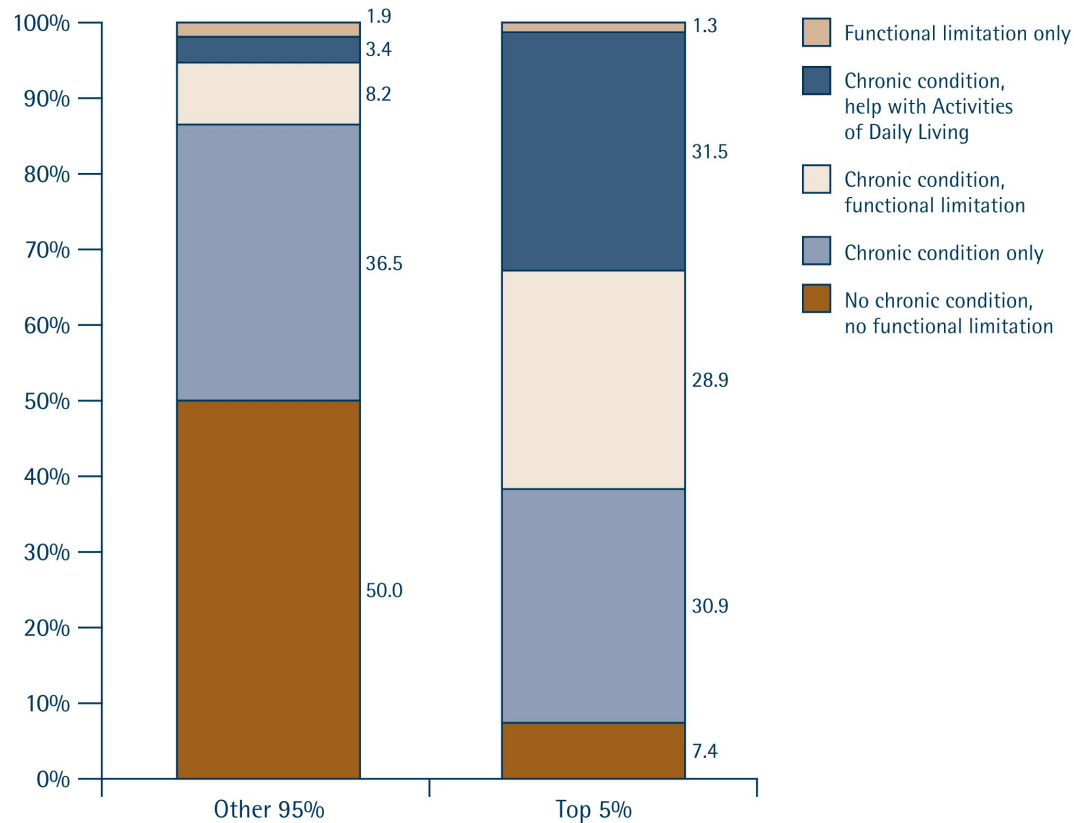
Care for Highest Spenders Dominated by Inpatient Services, Prescription Drugs and Outpatient and ED Care



NIHCM Foundation analysis of data from the 2014 Medical Expenditure Panel Survey.

Home Care  
controls costs for  
those with the  
highest need  
because we  
manage chronic  
conditions and  
functional  
impairment.

FIGURE 5. CHRONIC CONDITIONS AND FUNCTIONAL LIMITS AMONG LOW VS. HIGH SPENDING GROUPS, 2006

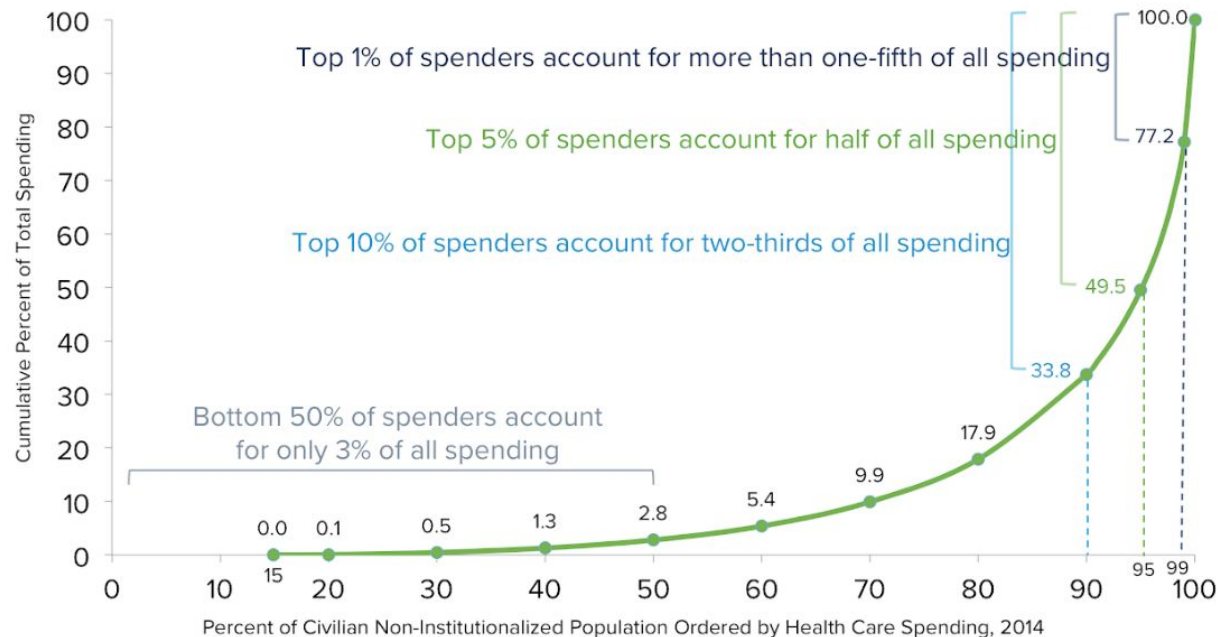


# Home Care Saves the State Money:

We manage costs for the people most at risk and with the highest needs.



Health Care Spending Is Highly Concentrated  
Among a Small Portion of the US Non-Institutionalized Population



NIHCM Foundation analysis of data from the 2014 Medical Expenditure Panel Survey.

Economic  
Impact of  
Home Health:

The Home Health  
side of our industry  
contributed  
\$639,865,143 to  
Utah's economy

## Economic Contribution of Home Health Agencies

Table 5.3: Impact of Home Health on Output, by State, 2016

State	Estimated Home Health Expenditures <sup>1</sup>	Multiplier for Output <sup>2</sup>	Estimated Impact of HH Spending on Output <sup>3</sup>	State	Estimated Home Health Expenditures	Multiplier for Output	Estimated Impact of HH Spending on Output
Alabama	\$478,191,571	1.9928	\$952,940,162.69	Montana	\$1,044,559,808	1.7731	\$1,852,108,996
Alaska	\$1,851,051,033	1.7564	\$3,251,186,034	Nebraska	\$118,771,494	1.9341	\$229,715,947
Arizona	\$392,535,215	2.1772	\$854,627,670	Nevada	\$737,167,874	1.9368	\$1,427,746,738
Arkansas	\$375,894,558	1.8605	\$699,351,825	New Hampshire	\$210,386,718	1.9345	\$406,993,106
California	\$2,616,636,559	2.2408	\$5,863,359,201	New Jersey	\$580,724,806	2.2457	\$1,304,133,697
Colorado	\$1,946,186,242	2.3091	\$4,493,938,651	New Mexico	\$657,311,471	1.7917	\$1,177,704,963
Connecticut	\$697,367,925	1.9868	\$1,385,530,593	New York	\$1,863,203,897	2.0273	\$3,777,273,260
Delaware	\$176,263,434	1.8359	\$323,602,038	North Carolina	\$721,116,602	2.2287	\$1,607,152,571
D.C.	\$146,294,606	1.2938	\$189,275,961	North Dakota	\$8,037,143	1.7581	\$14,130,101
Florida	\$2,394,135,349	2.1875	\$5,237,171,076	Ohio	\$4,316,153,558	2.2265	\$9,609,915,897
Georgia	\$610,844,630	2.3532	\$1,437,439,583	Oklahoma	\$485,958,069	2.0043	\$974,005,758
Hawaii	\$36,442,048	1.9856	\$72,359,331	Oregon	\$217,394,370	1.993	\$433,266,979
Idaho	\$630,550,628	1.8104	\$1,141,548,857	Pennsylvania	\$1,793,098,896	2.1999	\$3,944,638,261
Illinois	\$1,406,790,370	2.4154	\$3,397,961,460	Rhode Island	\$149,097,413	1.906	\$284,179,669
Indiana	\$503,868,118	2.1085	\$1,062,405,927	South Carolina	\$280,845,768	2.124	\$596,516,411
Iowa	\$283,388,946	1.851	\$524,552,939	South Dakota	\$30,325,504	1.7562	\$53,257,650
Kansas	\$235,857,073	2.0122	\$474,591,602	Tennessee	\$764,667,641	2.2906	\$1,751,547,698
Kentucky	\$336,277,414	1.9999	\$672,521,200	Texas	\$3,524,702,442	2.4534	\$8,647,504,971
Louisiana	\$544,139,250	1.939	\$1,055,086,006	Utah	\$285,272,021	2.243	\$639,865,143
Maine	\$263,110,465	1.9486	\$512,697,052	Vermont	\$160,372,308	1.7774	\$285,045,740
Maryland	\$703,246,767	2.039	\$1,433,920,158	Virginia	\$678,945,500	2.0631	\$1,400,732,461
Massachusetts	\$1,492,846,184	2.0781	\$3,102,283,655	Washington	\$343,099,097	2.0397	\$699,819,228
Michigan	\$2,882,842,066	2.1279	\$6,134,399,632	West Virginia	\$179,271,580	1.7191	\$308,185,773
Minnesota	\$506,008,919	2.1675	\$1,096,774,332	Wisconsin	\$344,998,936	2.0018	\$690,618,870
Mississippi	\$317,039,506	1.852	\$587,157,165	Wyoming	\$31,155,833	1.6279	\$50,718,581
Missouri	\$439,287,060	2.119	\$930,849,280	<b>Total U.S.</b>	<b>\$41,793,734,685</b>	<b>N/A</b>	<b>\$89,054,309,863</b>

1 CMS Medicare Cost Reports for Home Health Agencies, 2016.

2 U.S. Bureau of Economic Analysis multipliers, 2016.

3 Avalere calculation.

Note: All Medicare-certified home health agencies are required to submit an annual cost report, which includes cost and charges by cost center in total and for Medicare. Cost report data do not include expenditures from HHA contractors, but the multiplier is intended to account for such figures.

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Economic  
Impact of  
Home Health:  
  
The Home Health  
industry  
contributed 13,348  
jobs to Utah's  
economy.

## Economic Contribution of Home Health Agencies

Table 5.1: Impact of Home Health on Employment, by State, 2017

State	Estimated Number of HH Employees <sup>1</sup>	Multiplier for Employment <sup>2</sup>	Estimated Jobs Created by HH Industry <sup>3</sup>	State	Estimated Number of HH Employees <sup>1</sup>	Multiplier for Employment <sup>2</sup>	Estimated Jobs Created by HH Industry <sup>3</sup>
Alabama	12,818	1.6133	20,679	Montana	2,808	1.382	3,881
Alaska	2,392	1.3022	3,115	Nebraska	3,195	1.5176	4,849
Arizona	22,081	1.5277	33,733	Nevada	4,871	1.5549	7,574
Arkansas	6,627	1.415	9,377	New Hampshire	3,911	1.5142	5,922
California	80,866	1.5449	124,930	New Jersey	49,166	1.481	72,815
Colorado	18,696	1.6091	30,084	New Mexico	14,065	1.3949	19,619
Connecticut	15,587	1.4439	22,506	New York	204,508	1.3427	274,593
Delaware	3,797	1.4549	5,524	North Carolina	42,624	1.5146	64,558
D.C.	8,456	1.1413	9,651	North Dakota	709	1.4084	999
Florida	74,497	1.6571	123,449	Ohio	64,001	1.5251	97,608
Georgia	25,572	1.6347	41,803	Oklahoma	13,561	1.4855	20,145
Hawaii	4,603	1.4168	6,522	Oregon	5,765	1.5314	8,829
Idaho	8,276	1.4065	11,640	Pennsylvania	60,271	1.5782	95,120
Illinois	43,537	1.4964	65,149	Rhode Island	4,856	1.4386	6,986
Indiana	20,828	1.5385	32,044	South Carolina	15,271	1.5156	23,145
Iowa	7,203	1.5076	10,859	South Dakota	1,720	1.3502	2,322
Kansas	7,334	1.558	11,426	Tennessee	20,517	1.6609	34,077
Kentucky	8,724	1.5774	13,761	Texas	263,608	1.5413	406,299
Louisiana	20,974	1.4937	31,329	Utah	8,060	1.6562	13,349
Maine	4,228	1.4926	6,311	Vermont	2,397	1.4357	3,441
Maryland	21,238	1.4788	31,407	Virginia	29,805	1.4323	42,690
Massachusetts	47,181	1.516	71,526	Washington	11,510	1.5235	17,535
Michigan	39,761	1.5247	60,624	West Virginia	7,204	1.391	10,021
Minnesota	24,826	1.4475	35,936	Wisconsin	13,454	1.4678	19,748
Mississippi	7,188	1.5261	10,970	Wyoming	619	1.3499	836
Missouri	21,533	1.5184	32,696	<b>Total U.S.</b>	<b>1,407,299</b>	<b>N/A</b>	<b>2,114,008</b>

<sup>1</sup> Quarterly Census of Employment and Wages (QCEW) collected by the U.S. Bureau of Labor Statistics, 2017.

<sup>2</sup> U.S. Bureau of Economic Analysis multipliers, 2016.

<sup>3</sup> Avalere calculation.

Note: The QCEW collects employment data monthly. All states report employment figures on privately owned home health agencies, including for-profit and non-profit organizations. Alabama, Arkansas, Illinois, Iowa, Minnesota, Missouri, North Carolina, Ohio and Virginia submit employment figures for their government-owned facilities, which are included in this analysis. The QCEW does not include jobs for HHA contractors, but the multiplier is intended to account for such jobs.

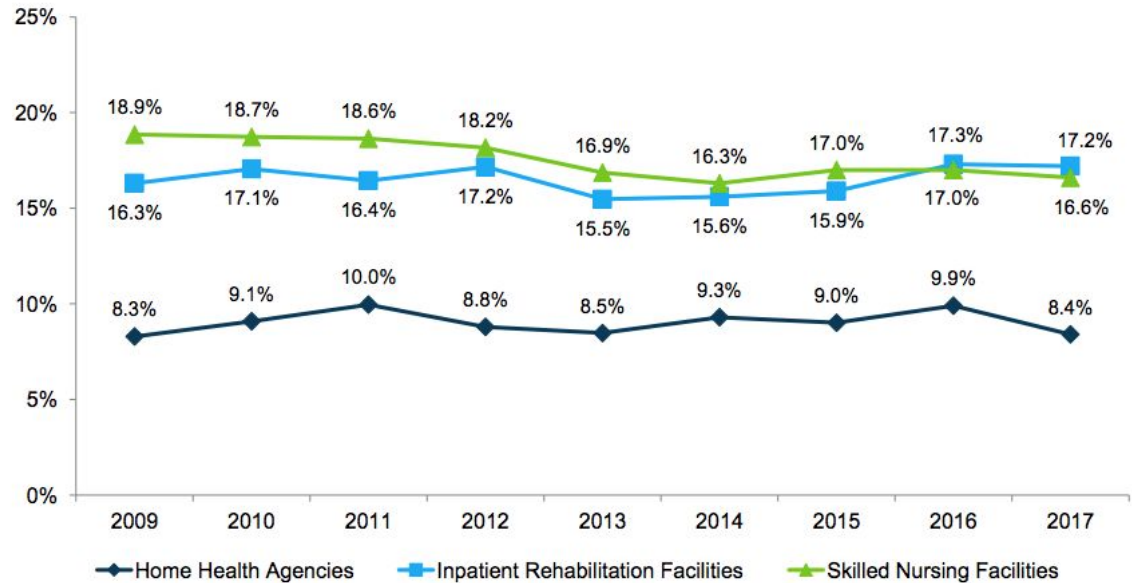
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Home Care  
has low  
readmission  
rates:

As low as 8% for  
major joint surgery  
readmission.

## Outcomes: Major Joint Readmissions Among Post-Acute Care Users

Chart 6.2: 30-day Readmission Rates for MS-DRG 469 Discharged from Hospital to Selected PAC Settings, by Care Setting, 2009 - 2017



Source: Avalere Health, LLC, analysis of Medicare Standard Analytic Files, 2009 – 2017.

\*Analysis includes Medicare Part A claims only.

MS-DRG 469: Major joint replacement or reattachment of lower extremity with major complication or comorbidity.

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# Home Care Historical Rate Changes

## State of Utah Medicaid Rates

Source: <http://health.utah.gov/medicaid/stplan/lookup/CoverageLookup.php>

Provider Type = "58 - Home Health Agency"

Procedure Code	Name/Description	Medicaid Fee Schedule (as of 2/2/2018)	Last Date of Increase	Notes / Increase %	Previous Rate	Date of Previous Increase*	Increase % from Prior Rate	Prior Rates
G0154	DIRECT SKILLED NURSING SERVICES OF A LICENSED LPN O	\$ -		Replaced by G0299	\$ 82.38	1/1/2006	4%	79.06
G0299	HHS/HOSPICE OF RN EA 15 MIN	22.72	1/1/2016	10%	New code in 2016			
Q0081	INFUSION THERAPY VISIT(NO CHEMOTHERAPEUTIC DRUG	90.85	7/1/2012	10%	82.34	1/1/2006	4%	79.06
S9122	HH AIDE/CERT NURSE ASSIST,HOME,PER HR	22.56	7/1/2012	15%	19.62	1/1/2006	4%	18.83
S9123	NURSING CARE,IN HOME,BY RN,PER HOUR (VISIT)	90.90	7/1/2012		--- n/a ---			
S9128	SPEECH THERAPY, IN THE HOME, PER DIEM	79.47	7/1/2012		--- n/a ---			
S9129	OCCUPATIONAL THERAPY, IN THE HOME, PER DIEM	80.66	7/1/2012		--- n/a ---			
S9131	PHYSICAL THERAPY; IN THE HOME, PER DIEM	80.66	7/1/2012	12%	72.02	1/1/2006	4%	69.12
T1001	NURSING ASSESSMENT/EVALUATION	100.66	11/1/2015	15%	87.53	1/1/2006	11%	79.06
T1003	LPN/LVN SERVICES, UP TO 15 MINUTES (HH VISIT)	86.37	10/1/2003	15%	75.10	1/1/2006		
T1005	RESPIRE CARE SERVICES, UP TO 15 MINUTES (HOUR)	-	1/1/2013		--- n/a ---			
T1019	PERSONAL CARE SERVICES, PER 15 MIN, OUTPAT,(HOUR)	16.78	7/1/2012	15%	14.59	1/1/2006	4%	14.00
T1021	HOME HEALTH AIDE OR CERTIF NURSE ASSIST, PER VISIT	39.82	7/1/2012	15%	34.63	1/1/2006	4%	33.23
T1030	NURSING CARE,IN HOME,BY REGISTERED NURSE,PER DIEM	94.74	7/1/2012	15%	82.38	1/1/2006	4%	79.06

Source:

<http://health.utah.gov/medicaid/stplan/lookup/CoverageLookup.php>

\* Date of Previous Increase is per provider records (Community Nursing Service ). Items marked "--- n/a ---" means the data was not available in provider records.

Bureau of Labor Statistics CPI page at <https://www.bls.gov/cpi/home.htm>